

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 168023 POSS DUPE
ORIGIN NEA-10

INFO OCT-01 ISO-00 AF-10 COME-00 EB-08 L-03 H-01
TRSE-00 OMB-01 SS-15 NSC-05 SP-02 STR-07 CIAE-00
INR-10 NSAE-00 /073 R

DRAFTED BY NEA/RA:ROPRICKETT:YW
APPROVED BY NEA/RA:WDOZIER
AF/W:JLEWIS (INFO)
NEA/ARP:FGERLACH
-----010187 031718Z /47
R 031317Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY JIDDA
INFO AMEMBASSY DAMASCUS
AMEMBASSY BAMAKO

LIMITED OFFICIAL USE STATE 168023

E.O. 11652: N/A

TAGS: ETRD

SUBJECT: ARAB BOYCOTT: U.S. FIRM BARRED FROM MALI PROJECT
UNDER SAUDI FUND FOR DEVELOPMENT?

1. THE DEPARTMENT HAS RECEIVED AN INQUIRY FROM SENATOR
GOLDWATER CONCERNING THE POSSIBLE LOSS OF OVER U.S. DOLS
10 MILLION WORTH OF BUSINESS BY A U.S. FIRM, CHEMONICS
INDUSTRIES, IN TECHNICAL ASSISTANCE TO THE GOVERNMENT OF
THE REPUBLIC OF MALI UNDER A PROJECT FINANCED BY THE
SAUDI FUND FOR DEVELOPMENT.

2. ACCORDING TO THE FIRM, MALI HAD CHOSEN CHEMONICS
BECAUSE OF ITS PRIOR EXPERIENCE IN MALI AND THE BELIEF
THAT IT COULD PERFORM THE SERVICES BETTER AND CHEAPER
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 168023 POSS DUPE

THAN COMPETITORS. CHEMONICS REPORTS, HOWEVER, THAT JUST
BEFORE NEGOTIATIONS WERE CONCLUDED, THE SAUDI DEVELOPMENT
FUND REPRESENTATIVE REQUESTED CHEMONICS TO SIGN A CERTI-
FICATE OF BOYCOTT. WHEN CHEMONICS DECLINED TO DO SO IN
ACCORDANCE WITH U.S. LAW, NEGOTIATIONS WERE SUSPENDED,
AND IT NOW APPEARS THAT THE PROJECT MAY BE AWARDED TO A
FOREIGN COMPETITOR.

3. ACCORDING TO THE FIRM, THE U.S. AMBASSADOR, AMB. BYRNE, INTERVENED WITH THE SAUDI AMBASSADOR, WHO PROMISED TO LOOK INTO THE PROBLEM, BUT NOTHING FURTHER HAS BEEN HEARD.

4. ACTION REQUESTED: AT ITS DISCRETION, EMBASSY IS REQUESTED TO EXPLORE WITH OFFICIALS OF THE SAUDI FUND FOR DEVELOPMENT THE QUESTION OF WHETHER A U.S. FIRM APPARENTLY BEST QUALIFIED TO EXECUTE THIS PROJECT MOST EFFECTIVELY AND ECONOMICALLY MUST BE BARRED FROM DOING SO FOR OBEYING U.S. LAW AND DECLINING TO SUBMIT A BOYCOTT CERTIFICATE.

5. FYI - SENATOR GOLDWATER AND CHEMONICS PRESIDENT FRANK M. FEEFFER ARE PARTICULARLY UNHAPPY WITH THE COINCIDENCE THAT THE REQUIREMENT OF A BOYCOTT CERTIFICATE WAS FIRST RAISED ONLY 24 HOURS AFTER CONGRESS APPROVED SALE OF F-15 AIRCRAFT TO SAUDI ARABIA. FEEFFER STATES THAT HE STRONGLY SUPPORTED SUCH SALE AND INDICATED THAT SUPPORT IN LETTERS TO SEVERAL MEMBERS OF CONGRESS. END FYI VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ARABS, TECHNICAL ASSISTANCE, BOYCOTTS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE168023
Document Source: CORE
Document Unique ID: 00
Drafter: ROPRICKETT:YW
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780274-0281
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780799/aaaadfmq.tel
Line Count: 82
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0fcb7c7b-c288-dd11-92da-001cc4696bcc
Office: ORIGIN NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2125787
Secure: OPEN
Status: NATIVE
Subject: ARAB BOYCOTT: U.S. FIRM BARRED FROM MALI PROJECT UNDER SAUDI FUND FOR DEVELOPMENT?
TAGS: ETRD, ML, SA, US, CHEMONICS INDUSTRIES
To: JIDDA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/0fcb7c7b-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014